

### **Exhibit E-3 Business Account Agreements, Participation Requirements, Pricing and Revenue Distribution**

Business Account detailed methodology describing products, pricing and revenue allocation for Business Accounts is defined in Common Institutional Program Requirements (DR 2) and as agreed by the Joint Board.

#### **1.0 Types of Business Account Agreements**

**1.1. Business Account "Choice" Agreements.** A Business Account may elect to purchase retail ORCA Products available to any customer. The Business Account would have the opportunity to revise the type and quantity of products purchased each month and to purchase non-ORCA products through a Lead Agency. Business Choice Agreements are entered into and managed by a Lead Agency acting on behalf of all Agencies.

**1.2 Business Account "Passport" Agreements.** A Business Account may elect, subject to approval or qualification under the established program requirements, to purchase transportation benefits for its employees or other participants in the form of an unlimited travel pass, and non-ORCA products under an agreement with a Lead Agency. Passport Agreements are entered into and managed by a Lead Agency acting on behalf of Participating Agencies named in the agreement. The program requirements for such Passport Agreements are set forth below.

##### **1.2.1 Passport Agreement Requirements**

| Policy                            | Passport Flat Rate   | Passport Per Trip   |
|-----------------------------------|--|---|
| Business Account Size Eligibility | Business Account must have more than 20 participants, with the exception of state designated Growth and Transportation Efficiency Centers, where the Business Account must have at least 5 participants. | Business Account must have a minimum of 20 participants, with the exception of state designated Growth and Transportation Efficiency Centers, where the Business Account must have at least 5 participants. |
| Eligible Employee Population      | Business Accounts who have employees as participants must purchase for all benefits-eligible employees. (Third shift is an acceptable exception.)  | Business Accounts who have employees as participants must purchase for all benefits-eligible employees.   |
| Non-ORCA Products                 | Business Accounts may be provided a package of supporting products as determined by the Lead Agency which may include vanpool, guaranteed ride home, etc.  | Business Accounts may be provided a package of supporting products as determined by the Lead Agency which may include vanpool, guaranteed ride home, etc.   |

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| Administration Fee   | Each Lead Agency can charge an administration fee at its discretion to cover administrative costs associated with the program.   | Each Lead Agency can charge an administration fee at its discretion to cover administrative costs associated with the program. |
| Pricing Data – Year 1 (ORCA Transition Period and New Customers) | Commute Trip Reduction Survey (CTRS) data for specific site. If CTRS data are unavailable for a specific site, then use CTRS data grouped by geographic area or closely located work site for pricing. | ORCA System data.  |
| Pricing Data – Post-Transition                                   | ORCA System data, once sufficient data are available (minimum of 6 months).  | ORCA System data.  |
| Pricing Adjustments  | Reviewed and adjusted as necessary twice per year in March and September.  | As fare changes are implemented by the Agencies, revised pricing will be triggered for Business Accounts.                      |

#### 1.2.2 Regular Fixed-Route Transit Service

The transit prices specified in Passport Agreements reflect only products that are valid on each Participating Agency's regular fixed route transportation system. Special event services are not covered by these Agreements.

#### 1.2.3 Washington State Ferries

The Washington State Ferries will not be a Participating Agency for Passport Flat Rate products. WSF will only be a Participating Agency in Passport Per Trip Agreements which use actual ridership and actual fares to determine the amount paid by the Business Account. No discounts will be included for trips taken on the Washington State Ferry service.

#### 1.2.4 Sale of Non-ORCA Products

Non-ORCA products may be included in a Business Account Agreement, subject to concurrence by the Participating Agencies covered in that Business Account Agreement.

### 2.0 ORCA Product Pricing

2.1. Business Account "Choice" Agreements. The pricing for these agreements will be the sum of the prices of the retail products purchased by the Business Account.

#### 2.2 Business Account "Passport" Agreements.

##### 2.2.1 Passport Flat Rate

A regional pricing methodology for the Passport Flat Rate product, as agreed to by the Joint Board, includes the following key elements:

#### Year 1: ORCA Transition Period and New Customers

- a. The total number of annual transit trips for a Passport Flat Rate customer shall be estimated using the transit mode share from the most recent Commute Trip Reduction survey (CTRS) for that site, (If CTRS data are unavailable for a specific site, then CTRS data grouped by geographic area or closely located work site will be used for pricing.)
- b. The total number of annual transit trips shall be apportioned by Participating Agency based on the share of total transit trips for each transit agency from the CTRS. If appropriate, a Participating Agency may propose applying a growth rate to adjust its estimated annual transit trips. All such adjustments must be approved by all Participating Agencies.
- c. The total annual transit fare value for each Participating Agency shall be estimated by multiplying the number of total number of annual transit trips for each Participating Agency by the average weighted trip value specified by each Participating Agency.
- d. The total annual transit cost for a Passport Flat Rate customer shall be the sum of total annual transit fare values for all Participating Agencies.

#### Post Transition for Existing Customers

- a. The total and per Agency number and fare value of annual transit trips for a Passport Flat Rate customer shall be estimated using the most recent ORCA data available for that customer.
- b. If appropriate, a Participating Agency may propose applying a growth rate to adjust its estimated annual transit trips. All such adjustments must be approved by all Participating Agencies.
- c. The total annual transit cost for a Passport Flat Rate customer shall be the sum of total annual transit fare values for all Participating Agencies.

#### 2.2.2 Passport Per Trip

The cost of trips for a Passport Per Trip customer each month will be the total value of trips taken on Participating Agencies based on actual ORCA trip data for that month. The total value of trips for each Participating Agency will be the sum of the fare values for each trip taken on that Agency, less any interagency transfer discounts as described for E-Purse allocation in Exhibit E-1.

#### 2.2.3 Non-ORCA Products

The cost of Non-ORCA products shall be as established in the Business Account Agreement for each customer, subject to concurrence by the Participating Agencies covered in that Business Account Agreement

### **3.0 Revenue Allocation**

#### **3.1 Business Choice and Passport Products:**

The distribution of revenue to each Participating Agency from ORCA Products sold within a Business Account Agreement will occur through the appropriate ORCA Accounts based on Joint Board-approved business rules and payment due dates established for each Business Account Agreement.

##### **3.1.1 Business Choice Accounts**

Revenue allocation for E-Purse and ORCA pass products shall be as outlined in Exhibits E-1 and E-2.

##### **3.1.2 Passport Products**

###### **3.1.2.1 Passport Flat Rate**

Each Participating Agency shall receive its total annual transit fare value for each Passport Flat Rate customer as described in 2.2.1 above.

###### **3.1.2.2 Passport Per Trip**

Each Participating Agency shall receive the total value of trips for each Passport Per Trip customer as described in 2.2.2 above.

#### **3.2 Non-ORCA Products**

The distribution of revenue to each Participating Agency from non-ORCA Products sold within a Business Account Agreement will be as established in the Business Account Agreement for each customer, subject to concurrence by the Participating Agencies covered in that Business Account Agreement.